



## **Statement of Naji Khoury**

### **FCC Field Hearing on Impact of Hurricanes Fiona and Ian on Communications**

November 17, 2022

I am the Chief Executive Officer for Liberty Mobile Puerto Rico and USVI and Liberty Communications of Puerto Rico. I appreciate very much the opportunity to speak with you regarding our experience after Hurricane Fiona, focusing on the interaction with, and impact of, the power sector on communications.

In contrast to Hurricane Maria, which had devastating wind and water impact, Hurricane Fiona was a Category 1 Hurricane, and the damage largely resulted from the unprecedented rainfall associated with it. Thus, our networks did not experience significant damage from Hurricane Fiona's wind or rain. Nevertheless, we incurred millions of dollars in increased costs largely attributable to widespread and prolonged power outages, which prevented customers from using our services.

Our mobile network demonstrated its resilience from investments in underground fiber and standby generators in over 90% of our cell sites. Mobile network coverage remained close to 100% and utilization increased by more than 20%. Even with this increased usage, we were able to open our mobile network to other carriers' customers. Our fixed broadband network also experienced few equipment outages and continued to perform well, except for lack of power where it is close to impossible to install generators. Our fiber to the home network and resilient nodes (those connected to private or Liberty's generators) continued providing the service. However, the rest of the HFC plant lost power a few hours after the general power blackout (in most cases up to 10 hours due to batteries backup).

During the third quarter alone, we incurred roughly \$12 million in increased costs, with an additional \$8 million in estimated costs before year-end, resulting from Hurricane Fiona.

Well over half of the additional costs resulted from credits, principally to cable and broadband customers who were without service due to lack of power. In addition to customer credits, we expended approximately \$2.5 million on fuel to run our generators during the power outage. At over \$6 a gallon

for fuel, this should not be surprising, but, in my view, it is a huge number. We used roughly 35,000 gallons of diesel fuel daily immediately after the hurricane and heavy rains, with roughly 35 crews refuelling over 700 generators. Additional costs also resulted from equipment damaged by voltage spikes when power was being restored. Overtime and costs for increased security to protect facilities and portable generators we placed on exterior equipment, well exceeded \$1 million.

The performance of fixed and mobile communications providers is inextricably tied to the performance of the power sector. But, in our experience, which is different from the continental United States, we are greatly affected by inflation, fuel and material shortages and other circumstances that impact us differently because we are an island. Even if we can maintain near normal operations, our customers may be unable to communicate or receive service because they are without power to operate their in-home devices. The power grid in Puerto Rico remains susceptible to natural disasters, frequent prolonged outages and generation issues that make it unstable and in need of improvements. Further, when faced with a natural disaster such as Hurricane Fiona, the power sector faces extreme pressure to restore service, and unfortunately the adequate communication procedures still are not in place to make sure communications providers can communicate effectively with the power sector. Our largest system outage resulted from a cable cut caused during the restoration of a power line.

Notwithstanding these challenges, we are committed to serving our customers, particularly when they need service the most in times of weather events. We have greatly appreciated the FCC's support through the Uniendo and the Connect USVI funds and believe that we have used that support wisely, with 100% of sites with battery backup and 90% with permanent generators, more than 70% of the fiber to the core is buried, hundreds of underground miles of fiber and other resiliency measures. But we still have work to do to harden our infrastructure and build up our resiliency. We hope to count on your support for that.



We also look forward to continuing to work with the power sector to improve our combined responsiveness to customers. Thank you.